

STATE OF CALIFORNIA

DEDUCTION PROGRAM HANDBOOK

for:

Employee Organizations
Membership Benefits
Bona Fide Associations
Banks
Credit Unions
Industrial Loan Companies
Savings and Loan Associations
Parking
Transit Passes

Administered by:

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Deduction Program Handbook

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INTRODUCTION

This handbook provides detailed information on the State's Voluntary Miscellaneous Payroll Deduction Program, and how the State Controller's Office and the deduction client work together to achieve a successful payroll deduction program for state employees.

Sections in this handbook include requirements which must be met and maintained for program participation. It also contains the operating instructions for maintaining an ongoing program, and the forms necessary to begin participation in the deduction program.

We hope you find this guide useful in answering your questions regarding participation in the deduction program. If you have a specific problem or question which is not addressed in this guide, please contact the SCO Deduction Program Coordinator at (916) 322-7968 for direction.

GENERAL INFORMATION

Uniform State Payroll System

By law, the State Controller administers a uniform state payroll system for state agencies and the California State University campuses (except the University of California). The employment and payroll files are maintained within the State Controller's Office (SCO) and employing agencies/campuses report various changes as the basis for updating the employment and payroll files.

Based on the information submitted by the agencies/campuses, SCO issues employee salaries or wages and performs all of the state's payroll accounting and disbursement operations.

Upon receipt of the payroll warrants issued by SCO, the agencies/campuses verify that each warrant is drawn correctly. All correct warrants are released to the employees and incorrect warrants are returned to SCO and redeposited. Corrected warrants are subsequently reissued based on corrected employment and/or payroll documents.

The Pay Schedule

State employees receive their earnings based on either a *negative* or *positive* attendance reporting schedule.

Under *negative* attendance reporting, SCO prepares the payrolls prior to the receipt of attendance reports. Payroll warrants are sent to the agencies in time to perform a reconciliation of the payrolls and attendance reports; and to ensure the timely delivery of the warrants to employees on the last working day of the pay period. Payroll warrants for monthly-paid employees are issued under this schedule.

Under *positive* attendance reporting, SCO prepares the payrolls after receipt of the attendance reports. Typically, these payroll warrants are released to the agencies/campuses by the fifth working day after the receipt of the attendance reports. The employing agency/campus may release the warrants to state employees immediately or hold the warrants for distribution on fixed dates. Payroll warrants issued under this schedule are for:

- hourly and daily salary rate employees
- employees on emergency-type appointments
- monthly salary rate employees at the Office of State Printing
- Psychiatric Technicians who are rank and file

The state pay plan consists of twelve “nearly equal pay periods” each year (except for academic and biweekly-paid employees and statutory officers). Each pay period contains either 21 or 22 normal workdays and will be a calendar month except when more than 22 or less than 21 normal workdays fall within a month, the pay period may end one day before or after the end of a calendar month.

Within a given pay period, employees may be paid once for the pay period (monthly); or twice (semi-monthly). For employees paid every other week (bi-weekly), their salaries are paid on the average of twenty-seven pay periods each year.

Payroll Deductions

A miscellaneous payroll deduction is a benefit provided by law to state employees. California Government Code Sections 1151 and 1152 set forth the specific purposes for which deductions can be withheld. The State Controller, in accordance with Government Code Section 1153, administers the voluntary miscellaneous payroll deduction program and has delegated this responsibility to the Chief of SCO’s Personnel/Payroll Services Division (PPSD).

PPSD has the authority to approve requests from a deduction client interested in obtaining a deduction for purposes set forth under GC Sections 1151 and 1152. Within PPCS, the Miscellaneous Deduction Unit is responsible for the day-to-day deduction activities (processing deduction forms, etc.).

State employees who are paid under the Uniform State Payroll System are eligible to authorize deductions to be withheld from their paychecks; however, employees on emergency-type appointments and employees with the California State University campuses in the following classifications will not have deductions withheld from their pay.

- Graduate Assistant
- Instructional Faculty, Extra Quarter Assignment
- Instructional Faculty, Executive Committee, Academic Senate
- Instructional Faculty, Chairman, Academic Senate
- Student Assistant
- Student Assistant Trainee
- Youth Summer Aid

Application Process

All deduction clients must satisfy the statutory requirements set forth under the Government Code to be eligible for payroll deduction privileges. In addition, an eligible deduction client must complete a *Hold Harmless Agreement*, a *Payroll Deduction Specifications Form* and an *Internet Participation Request Form* to apply. These three forms are included on pages 52, 53, and 54 of this booklet.

The Hold Harmless Agreement contains the agreements and certified statements necessary for SCO to withhold deductions for deduction clients. The Payroll Deduction Specifications Form contains information that a deduction client must furnish to initiate the withholding and remitting of deductions (mailing address, payee's name, etc.). The Internet Participation Request contains information relevant to our reporting process and includes an additional Hold Harmless Agreement pertaining to reporting.

After receipt of the completed forms, SCO will send a written notice of approval to the deduction client along with a deduction code assignment. If the request is not approved, a written notice will be provided along with the reason for denial.

Once a deduction company is approved, the Hold Harmless Agreement, Payroll Deduction Specifications Form and Internet Participation Request Form become the agreement between the deduction client and SCO to withhold deductions from state employees' pay.

Deduction monies withheld from state employees' pay are remitted to deduction clients either via Direct Deposit (page 56) or via warrants issued by SCO's Division of Disbursements. The disbursement operation is performed in the time and manner determined by SCO and within the guidelines of the Uniform State Payroll System.

CALIFORNIA GOVERNMENT CODES

1150. As used in this article:

- (a) “State employee” means all persons who receive wages for services through the uniform payroll system established and administered by the Controller under Section 12470.
- (b) “Public agency” includes counties, cities, municipal corporations, political subdivisions, public districts, and other public agencies of the state.
- (c) “Employee organization” means an organization which represents employees of the state or the California State University in their employer-employee relations, and which is registered with the Department of Human Resources or the Trustees of the California State University, or which has been recognized or certified by the Public Employment Relations Board.
- (d) “Bona fide association” means an organization of employees and former employees of an agency of the state and the California State University, and which does not have as one of its purposes representing these employees in their employer-employee relations.
- (e) “Deduction” does not include direct deposit by electronic fund transfer, as authorized by Sections 7506 and 12480.

1151. State employees may authorize deductions to be made from their salaries or wages for payment of one or more of the following:

- (a) Insurance premiums or other employee benefit programs sponsored by a state agency under appropriate statutory authority.
- (b) Premiums on National Service Life Insurance or United States Government Converted Insurance.
- (c) Shares or obligations to any regularly chartered credit union.
- (d) Recurrent fees or charges payable to a state agency for a program which has a purpose related to government, as determined by the Controller.
- (e) The purchase of United States savings bonds in accordance with procedures established by the Controller. Note: United States savings bonds can no longer be purchased through payroll deduction.

- (f) Payment of charitable contributions under any plan approved by the California Victim Compensation and Government Claims Board in accordance with procedures established by the Controller.
- (g) Passes, tickets, or tokens issued for a period of one month, or more, by a public transportation system.
- (h) Deposit into an employee's account with a state or federal bank or savings and loan association located in this state, for services offered by that bank or savings and loan association.
- (i) The purchase of any investment or thrift certificate issued by an industrial loan company licensed by this state.

1152. Deductions may be requested by employee organizations and bona fide associations from the salaries and wages of their members, as follows:

- (a) Employee organizations may request membership dues, initiation fees, and general assessments, as well as payment of any other membership benefit program sponsored by the organization.
- (b) Bona fide associations may request membership dues and initiation fees.

The Controller shall not be required to make any benefit deductions for an employee member whose membership dues are not deducted.

1153. The Controller shall provide for the administration of payroll deductions as set forth in Sections 1151 and 1152, and may establish, by rule or regulation, procedures for that purpose.

In administering payroll deductions the Controller shall:

- (a) Make, cancel, or change a deduction at the request of the person or organization authorized to have the deduction. All requests shall be made on forms approved by the Controller.
- (b) Obtain a certification from any state agency, employee organization, or business entity requesting a deduction that they have and will maintain an authorization to make the deduction, signed by the individual from whose salary or wages the deduction is to be made.

- (c) Provide for an agreement from organizations and business entities receiving deductions or other deduction services to relieve the state, its officers and employees, of any liability that may result from making, canceling, or changing requested deductions. However, no financial institution receiving a payroll deduction pursuant to this section shall be required to reimburse the state for any error in the payroll deduction received by that financial institution after 90 days from the month in which the payroll deduction was deducted from an individual's paycheck.
- (d) Determine the cost of performing the requested deduction service and collect that cost from the organization, entity, or individual requesting or authorizing the deduction. Services requested which are incidental, but not necessary, to making the deduction may be performed at the Controller's discretion with any additional cost to be paid by the requester.
- (e) Prior to making a deduction for an employee organization or a bona fide association, determine that the organization or association has been recognized, certified, or registered by the appropriate authority.
- (f) Decline to make deductions for any individual, organization, or entity if the Controller determines that it is not administratively feasible or practical to make the deduction, or if the Controller determines that the individual, organization, or entity requesting or receiving the deduction has failed to comply with any statute, rule, regulation, or procedure for the administration of deductions.
- (g) Make, cancel, or change a deduction not later than the month subsequent to the month in which the request is received. All deductions, cancellations, or changes shall be effective when made by the Controller.
- (h) At the request of a state agency, transfer employee deduction authorization for a state-sponsored benefit program from one provider to another if the benefit and the employee contribution remain substantially the same. Notice of the transfer shall be given by the Controller to all affected employees.

3515.6 All employee organizations have the right to membership dues, initiation fees, membership benefit programs, and general assessments until an employee organization is recognized as the exclusive representative for employees in an appropriate unit. At that time, such deductions for any employee in the negotiating unit are not allowed except to the exclusive representative.

3515.7 (a) Once an employee organization is recognized as the exclusive representative of an appropriate unit it may enter into an agreement with the state employer providing for organizational security in the form of maintenance of membership or fair share fee deduction.

12419.5 The Controller may, in his or her discretion, offset any amount due a state agency from a person or entity, against any amount owing that person or entity by any state agency.

REQUIREMENTS

A deduction client must follow certain policies and conditions necessary for SCO to uniformly administer a deduction program for hundreds of deduction clients and participating employees. *Failure to adhere to the deduction requirements and rules will result in delays or terminate the agreement for the Controller's Office to withhold deductions.*

Special Participation Requirements

If your organization is one of the following, you must follow the special requirements outlined below.

Employee Organizations (GC 1150[c]):

Identifies requirements, set forth by law and the SCO, that an exclusive representative must satisfy to have payroll deduction privileges.

- Must be registered with the Department of Human Resources and/or the Trustees of the California State University as an employee organization eligible for receipt of payroll deductions; and,
- Must be recognized or certified as an exclusive representative by the Public Employment Relations Board.

Membership/Benefit Clients (GC 1152[a]):

- Can only be sponsored by one employee organization per deduction code; and,
- Membership/benefit programs must meet all legal requirements; and,
- Must have 50 employees participating in payroll deductions within six months from the month in which the deduction code is assigned and participation to that extent must be maintained. An exception to this requirement will be made for deduction programs if they are the only benefit that is sponsored by the exclusive representative; and,
- Must also have a sponsoring organization dues deduction for all represented employees participating in the benefit program; and,
- When adding additional membership/benefit programs, exclusive representatives should contact the Deduction Program Coordinator (see Controller's Office Contact List) for special instructions.

Bona Fide Associations (GC 1150[d])

- Must be registered with the Department of Human Resources and/or the Trustees of the California State University as a Bona Fide Association eligible for receipt of payroll deductions, and,
- Must have 50 employees participating in payroll deductions within six months from the month in which the deduction code is assigned and participation to that extent must be maintained.

Banks (GC 1151[h]):

- Must be located in the State of California; and must have deduction monies remitted to an address within the State of California; and,
- Deductions may be authorized by state employees for the purpose of making deposits into an account with a particular bank.

Credit Unions (GC 1151[c]):

- Must be regularly chartered. Credit unions regulated by state, county, or city regulations must be chartered and “in good standing” with the Office of the Secretary of State. Credit unions regulated by federal regulations must be chartered with the National Credit Union Administration; and,
- Deductions may be authorized by state employees for the purpose of making payments for shares or obligations to a particular credit union.

Industrial Loan Companies (GC 1151[i]):

- Must be licensed by the State of California, and must have deduction monies remitted to an address within the State of California; and,
- Deductions may be authorized by state employees for the purpose of purchasing investment or thrift certificate(s) issued by a particular industrial loan company.

Savings and Loan Associations (GC 1151[h]):

- Must be located in the State of California; and must have deduction monies remitted to an address within the State of California; and,
- Deductions may be authorized by state employees for the purpose of making deposits into an account with a particular savings and loan association.

Deduction Code Numbers

Each deduction client will be assigned a six digit payroll deduction code number. The first three digits are referred to as the *Deduction Code* which identifies the specific type of deduction (e. g., credit union, membership dues, insurance, etc.). And the last three digits are referred to as the *Organization Code* which identifies the particular deduction client.

The combined six digit deduction/organization code number is simply referred to as the *Deduction Code* and is a key element in the deduction program. It is used by SCO to withhold and remit deduction monies to the appropriate deduction client and appears on deduction materials and correspondence furnished to the deduction client.

The three-digit deduction codes are assigned under the following format.

<u>Deduction Type</u>	<u>Deduction Code</u>
Bank	400
Bona Fide Association	089
Credit Union	051
Employee/Supervisor Organizations	088
Exclusive Representative	088
Industrial Loan Company	402
Membership Benefits	074
Parking	050 or 360
Transit Passes	362
Savings and Loan Association	401
State Sponsored Benefit	075

It is important that approved deduction clients identify their six digit deduction code number on all deduction information and correspondence sent to SCO.

Deduction Description

When deductions are withheld, a deduction description appears on the employee's statement of earnings and deductions (check stubs) as proof that the deductions they authorized were withheld and monies sent to the proper deduction client. This unique description is limited to eleven (11) alpha/numeric characters and spaces, and is assigned by SCO at the same time as the deduction code. If the organization would like their acronym or a special identifier used here, please specify this when submitting the application forms.

Deduction Frequency/Amount

Deductions withheld from employee's pay are fixed and withheld once each month. Thus, a deduction will be withheld each month at the amount originally certified by a deduction client until a Form CD88 is submitted to change or cancel the deduction.

When a deduction amount is changed, the new amount will be withheld each month until a subsequent Form CD88 is submitted to change the deduction amount again. When a deduction is cancelled for an employee the deduction will no longer be withheld in future months.

Personnel/payroll transactions can cause an employee's deduction to not be withheld or temporarily discontinued. When these transactions are processed by SCO, notification will be made to the deduction client, if requested. This notification will be provided on a Form PR1740-A, Notice of Deduction Deletion or Temporary Discontinuance.

Only the normal monthly deduction can be collected through payroll deduction. One-time initial membership fees, if any, must be collected directly from the employee by the deduction client. It is the responsibility of the employee to assure that his/her monthly net income is sufficient to allow for the deduction. If an employee's monthly net income is insufficient to withhold the deduction, SCO will not withhold the deduction. If this occurs, it is the employee's responsibility to make the payment or deposit directly to the deduction client.

Collection of Delinquent Amounts and Refunds

The deduction client is responsible for collecting delinquent amounts and/or making refunds. In certain instances, employees may not receive their pay warrants in the prescribed time. As such, deductions may not occur for a particular pay period until a later date. Also, SCO may not receive Form CD88's from the deduction clients in the prescribed time to withhold the correct deduction for the pay period. In these cases, employees could be delinquent for the monies owed the deduction client or an overpayment in the monies due the deduction client may result.

If a deduction is not made, monies shall be collected directly from the employee by the deduction client. If a deduction occurs at a later date and monies were already collected directly from an employee, the deduction client shall refund the employee. Also, when amounts were deducted after the effective date of a deduction cancellation or deduction amount change, the deduction client shall refund the employee. *An exception to this is pre-tax parking (deduction code 360). If an employee is due a refund, monies must be returned to SCO for the refund to be issued and taxes withheld, if applicable.*

SCO will only deduct delinquent amounts or refund deduction amounts for employees as a result of an SCO error. In these cases, SCO will contact the deduction client to ensure the adjustment has not been made.

Administrative Cancellations

Employee Initiated Cancellations

If an employee writes to SCO requesting their deduction be cancelled, the request will be honored without proof of them contacting the organization beforehand. Copies of the cancellation requests will be sent to the organization after the deduction has been cancelled. *This provision excludes employees who, under the terms of their memorandum of understanding (contracts), have a maintenance of membership agreement in effect.*

It is the employee's responsibility to make arrangements with the organization to refund excess dues deductions that may have been withheld.

Minimum Participation Cancellations

Some deduction programs are not administratively feasible to maintain due to minimal participation levels. Therefore, supervisory organizations, membership benefit and bona fide association deductions are limited to clients having at least 50 employees participating by payroll deduction.

New deduction clients should begin payroll deductions immediately and not wait until they have 50 participants. These deductions will be monitored on a semi-annual basis to ensure adequate participation levels are met/maintained and consideration will be given to new clients for this purpose.

Those deduction programs that do not meet/maintain 50 payroll deductions within a six month period will be cancelled unless they are the only benefit sponsored by the exclusive representative. All deduction clients and employees affected by these cancellations will be notified approximately one month prior to canceling these deductions.

Collective Bargaining Cancellations

Government Code Section 3515.6 requires SCO to cancel membership dues and benefit deductions for employee organizations other than the exclusive representative for represented employees.

Additionally, Government Code Section 1152(b) requires SCO to cancel membership benefit deductions with no corresponding dues deductions for represented employees.

The collective bargaining cancellation process occurs each month between the 15th and the 23rd (master payroll cut-off cycle). The cancellation is prospective. This means SCO uses the employee's collective bargaining status reflected in our files on the day of the cancellation process. No retroactive adjustments (refunds, reestablishing, or canceling deductions) will be made due to retroactive employee status changes. Retroactive adjustments will only be made if it is an SCO error. Note: For additional information regarding collective bargaining cancellations, see Notice of Deduction Deletion or Temporary Discontinuance, Form PR1740-A.

Service Charges

By statutory requirement, SCO must determine and collect the cost involved in making payroll deductions. Charges are deducted from the total remittances sent to the deduction client. The total service charge is based on the number of line entries on the deduction report multiplied by a per-deduction rate. The rate used is determined by the input source selected by a deduction client (Form CD88 paper or File Transfer Protocol (FTP)). These rates are subject to change annually and advance notification is provided.

Example:

Type of Input (Form CD88)	Type of Output (Payroll Deduction Report)	Per-Deduction Rate
Paper	Internet	\$0. 62
File Transfer Protocol (FTP)	Internet	\$0. 30

Effects of Personnel/Payroll Transactions

New Employee

Deductions are withheld from a new State employee's pay warrant only after personnel/payroll records are established within SCO. The employing agency/campus submits the proper documentation to establish such records. Deduction clients should ascertain from the employee whether a payroll warrant was issued by SCO prior to submitting a Form CD88 to establish the deduction.

Salary Advance

Under certain circumstances, employing agencies/campuses will issue a salary advance to employees when a payroll warrant will not be issued by SCO until a later date. The salary advance payment is based on the amount due the employee less mandatory withholdings (taxes, retirement, and social security) and any miscellaneous voluntary deductions known by the agency/campus. It is not a payment issued by SCO, and as such, miscellaneous deductions are not withheld or reported to deduction clients. Only until such time SCO issues the payroll warrant for the salary advance will any deductions be withheld, remitted and reported to the appropriate deduction clients.

Employee Transfers

Deductions will continue to be withheld by SCO when an employee transfers from one agency/campus to another; moves from one position or location to another within the same agency/campus; or upon other similar personnel/payroll transactions.

Insufficient Gross/Net

Deductions cannot be withheld when an employee has insufficient earnings, or insufficient net. These employees must make payments directly to the deduction clients.

Inactive Pay Status

Deductions will not occur while an employee is on non-pay or inactive pay status for the entire pay period or does not net enough money to withhold a deduction, e.g.,:

- academic vacation
- intermittent employee who does not work
- leave of absence without pay
- maternity leave
- military leave
- punitive suspension

Deductions for employees on inactive pay status will be retained in the employee's record unless a Form CD88 is received to cancel the deduction. Upon return of the employee to active pay status the deduction will automatically apply.

Also, deductions will not be withheld from the last pay issued to an employee prior to the change to inactive pay status unless the change occurs at the close of the last work day of the pay period. This policy exists because the deduction withheld from the employee's pay for the previous pay period may constitute an advance payment for the calendar month in which the change to inactive pay status is effective.

Permanent Separation

Deductions will be terminated for employees who permanently separate from state service. A permanent separation is:

absence without approved leave death
disability retirement dismissal
layoff resignation
service retirement

Deductions will not be withheld from the final payment issued to a separating employee unless the separation occurs at the close of the last work day of the pay period. This policy exists because the deduction withheld from the employee's pay for the previous pay period may constitute an advance payment for the calendar month in which the separation is effective.

Disability

The three types of disability pay status are:

Industrial Disability Insurance Leave (IDL)

Non-Industrial Disability Insurance Leave (NDI) Temporary Disability (TD)

Deductions will be withheld from the payroll warrants issued by SCO for IDL and NDI pay. Employees on TD status with supplemental pay can have deductions withheld only if the employing agencies/campuses identify the deductions on the documentation submitted to SCO for TD pay, and the net amount is sufficient.

Suspended Pay

Sometimes employee's pay warrants can be suspended (not issued) temporarily for various reasons such as, non-sufficient funds, no appropriation, etc. When these payments are finally issued, deductions will be withheld and reported to the deduction client.

Redeposits

Under certain circumstances, payroll warrants are returned by the employing agencies/campuses or held by SCO and redeposited (cancelled). Deductions withheld from these cancelled payments will be recovered against the remittance sent to the deduction client following the redeposit, and identified as a credit (CR) on the Payroll Deduction Report. If a cancelled warrant is later reissued, deductions will be withheld and reported to the deduction client.

Participation Withdrawal

Deduction clients who want to withdraw from the deduction program must immediately notify SCO in writing. The written notification must include a brief explanation for the participation withdrawal, the effective date, a statement certifying all employees were notified, and a forwarding address for retroactive deduction activity if different from the current mailing address. It must have an original signature of a person whose name and signature is on file at SCO.

OPERATING INSTRUCTIONS

This section contains SCO's operating instructions and guidelines in administering the Voluntary Miscellaneous Payroll Deduction Program. Here you will find explicit instructions on submitting deduction information to SCO as well as useful information on the various deduction materials you will receive. With this information, in conjunction with the administrative deduction policies mentioned earlier in this handbook, deduction clients can establish an efficient deduction operation within their own organization.

As changes occur to any of the following information, advance notification will be provided.

Employee Authorization

Each deduction client is required to obtain an employee's written authorization for payroll deductions and maintain that authorization on file for the duration of the deduction. The only exception to the requirement is fair share deductions.

Membership benefit clients (deduction code 074) should ensure that the sponsoring employee organization has obtained written authorization from the employee for benefit program deductions they receive. They should ensure that represented employees also have the sponsoring employee organization dues deduction.

Employee Authorization Form

The employee authorization form must state that the employee specifically allows the deduction client to establish, change and cancel a deduction; and the employee certifies that he/she is a member of the deduction client. Deduction clients must keep these forms on file—do not submit them to SCO.

The Input Form - CD88

The only deduction input form SCO will accept is the *Notice to the State Controller of Payroll Deduction Authorization, Form CD88*. The Form CD88 must be completed and submitted by the deduction client to add, change, or delete deductions for state employees. SCO will not accept requests for new deductions, deduction of delinquent amounts, or changes of deduction amounts from state agencies/campuses or employees.

The Form CD88 can be submitted to SCO in either the *paper 8 1/2" x 11"* format or, upon request and approval by SCO, File Transfer Protocol (FTP).

The paper Form CD88 must be reproduced from the master copy provided them and must be an *exact reproduction of the master*. Form CD88's that are changed or reformatted will be returned to the deduction client. If another master is needed, go to: http://www.sco.ca.gov/Files-PPSD/dedinfo_particip_cd88.pdf.

Upon approval by SCO, the Form CD88 can be submitted through File Transfer Protocol (FTP). Deduction clients must furnish FTP in the format and specifications prescribed by SCO. Deduction clients interested in receiving information regarding FTP should indicate this on the enclosed Payroll Deduction Specifications form (Item #6), or contact the FTP Coordinator to obtain the appropriate information and forms (see Controller's Office Contact List).

Form CD88's submitted with erroneous or missing data, a signature whose sample signature is not on file at SCO, or for employees whom SCO has no record, will be returned to the deduction client.

Authorized Signatures

Deduction clients must authorize representatives to sign the Form CD88, and must have sample signatures on file with SCO. The Form CD88 sent to SCO must be the original signed copy. A stamped signature of the authorized representative will be accepted if prior approval is obtained from SCO. A sample of the stamped signature must also be on file.

It is important that deduction clients keep their authorized signatures updated. To add or delete signatures, simply submit new sample signature(s) on client's letterhead addressed to the SCO Deduction Program Coordinator; or submit a completed Deduction Company Authorized Signature Form for this purpose. To ensure continuity of signatures, the request must be signed by a person whose signature is currently on file at SCO. This requirement is for security reasons and keeps unauthorized persons from making changes to information in our files.

Cut-Off Date and Mailing Address

Form CD88's may be sent directly to SCO on a daily basis. However, these forms must be received by SCO by the close of business (4:45 pm) on the 15th of the month to be processed in that month. If the 15th falls on a weekend or holiday, the following workday is the cut-off date. The Form CD88's must be mailed to the following address:

State Controller's Office
Personnel/Payroll Services Division
Attention: Miscellaneous Deductions Unit
P.O. Box 942850
Sacramento, CA 94250-5878

Return of Erroneous Form CD88's

SCO will return Form CD88's to a deduction client for the following reasons:

- The name on the Form CD88 does not agree with the name in SCO files for the social security number given.
- The pay period, deduction code, organization code, type of change, and/or social security number on the CD88 need to be verified because they appear to be invalid.
- The deduction client authorizing signature is missing or does not match the sample signature on file with SCO.
- Our records show that the employee is separated or on a leave of absence.
- The Form CD88 to change the amount or delete an employee's deduction cannot be processed because the employee does not have the deduction established.
- The Form CD88 to establish a deduction for an employee (type of change "1") cannot be processed because the employee already has the deduction established. If necessary, re-submit as a change.
- The deduction amount is invalid, greater than maximum amount or less than minimum amount; or incomplete.
- The Form CD88 is not an exact reproduction of the master Form CD88 provided to the deduction client.

The Form CD88's are processed for the current pay period in which the forms are received (i.e., forms received January 16 through February 15 will be processed for the February pay period). If Form CD88's indicate a future pay period, the forms will be retained and processed for that pay period.

Only one Form CD88 may be submitted for an employee in a given pay period. SCO cannot determine the correct form to process if more than one is received and effective for the same pay period. If this situation occurs and results of an incorrect deduction, the deduction client is responsible for collecting delinquent amounts or refunding monies by dealing directly with the employee. Also, the deduction client should complete and submit another Form CD88 in the following month for the correct deduction to be withheld in subsequent pay periods.

Mass Deduction Amount Changes

For deduction amount changes affecting more than 70 employees, SCO offers two quicker methods than submitting a CD88 for each employee. Either submit a letter requesting a "mass update", or submit a "cover" CD88 and a double-spaced list.

A mass update is an internal SCO program which can change deductions for employees from a set dollar amount to another set amount, or increase/decrease all deductions by a set amount. They are initiated by a written request submitted 30 days prior to the effective date. The request must include the organization's name, deduction code, effective pay period, and a statement certifying that all affected employees have been notified of the amount change. It must be signed by an authorized person and must contain the reason for the amount change (e.g., membership voted increase).

A "cover" Form CD88 with a double-spaced list can be submitted to add, change or delete deductions. The Form CD88 must be completed with proper information such as the client's name, deduction code, organization code, type of change, pay period, and "various" printed in the social security number, employee name, and deduction amount areas. If the same deduction amount applies to *all* listed employees, the amount need only be listed once on the cover CD88. Varying amount changes must be shown on the double-spaced list, where applicable.

The list must show the social security number, initials, last name and new deduction amounts (in that order) for each affected employee. The cover CD88 must be signed by an authorized person.

Controller's Remittances and Reports

Beginning with the actual withholding of deductions, SCO will remit deduction monies and report deduction activities to deduction clients. As part of the remitting and reporting process, SCO will either forward to the deduction client a Controller's warrant or will directly deposit monies in a financial institution, along with a remittance advice.

Controller's Warrant

The Controller's warrant remits the deduction monies withheld and reflects the total net due the deduction client (deduction amount minus service charges, if applicable). Warrants will be mailed through the US Postal Service. This option is not available to prospective clients.

Direct Deposit

Prospective clients will receive payroll deduction monies through a Direct Deposit process, similar to electronic fund transfer. In order to enroll in the Direct Deposit program, simply complete a Form 699D-Direct Deposit Enrollment Form. The form is part of this package.

Remittance Advice

Each warrant/Direct Deposit payment is accompanied by a remittance advice. The remittance advice is a statement documenting the number of deductions withheld and the computation involved in determining the deduction service charge assessed during the reporting/remitting period. The remittance advice reflects the following:

<u>Item</u>	<u>Description</u>
Warrant No.	Warrant/Direct Deposit payment number on the accompanying SCO warrant.
Deduction Code	Six (6) digit payroll deduction code number assigned to the deduction client.
From	Location within SCO which issues the SCO warrant.
To	Name of the deduction client.
Deduction Period	Ending date of the issued payrolls in which deductions were withheld.
Total Deduction Amount	Total amount withheld for the deduction client during the deduction period (matches the total amount on the supporting Payroll Deduction Detail (Internet) file).

Less Service Charges:

Deduction Processing Charge	Amount charged by SCO to withhold deductions.
Net Payment	Amount written on the accompanying SCO warrant/Direct Deposit payment.

Warrants and remittance advices are released immediately after the close of the reporting/remitting period. If no deduction activity occurs during this period the deduction client will not receive any output.

Also, a warrant and remittance advice will not be sent to a deduction client as a result of a zero or negative (credit) balance. When a zero or negative balance occurs, a written notice will be sent to the deduction client.

When the total net due is a credit balance, current or future monies due the client will be used to offset the credit per California Government Code Section 12419.5. The credit will be collected by either reducing the current month remittance for another deduction code for the deduction client (if any), or by reducing the next month's remittance for the same deduction code.

Payroll Deduction Report

This report is the supporting information for the warrant and remittance advice. It is a detailed listing of reportable deductions withheld from employees' salaries and wages during the reporting and remitting period. The Payroll Deduction Report will be furnished to deduction clients via the Internet Reporting Process. The deduction report will be available by the first of the following month.

The following information is reported on the Payroll Deduction Report:

<u>Item</u>	<u>Description</u>
Deduction Name	Name of the deduction client as recorded in SCO files.
Deduction Code	Six digit deduction code number
Date	The ending date of the reporting period. Either the 1st or the 16th of the month.
Social Security Number	Employee's Social Security Number
Initials	Employee's first and middle initials
Surname	First thirteen characters of employee's last name
Agency	Three digit numeric code identifying the employing agency/campus of the employee.
Reporting Unit	Three digit numeric code identifying either the appropriation within the agency/campus fund from which the employee's salaries and wages are payable, or the function or location, or attendance reporting station of the employee.
Salary Rate	Employee salary rate information is printed for each employee listed. (<i>Applicable to Exclusive Representatives only.</i>)
Pay Period Type	One digit alpha or numeric code which identifies the type of pay period of the payment in which the deduction was withheld:

	<u>Codes</u>	<u>Explanation</u>
	0	Monthly
	2	Semimonthly/Second Half
	A	Biweekly/First of Pay Period Month
	B	Biweekly/Second of Pay Period Month
	C	Biweekly/Third of Pay Period Month
	D	Biweekly/June Segment Spanning Two Fiscal Years
	E	Biweekly/July Segment Spanning Two Fiscal Years
Pay Period - Month and Year		Pay period from which the deduction was withheld.
Deduction Code		Three digit Deduction Code Number
Deduction Organization		Three digit Organization Code Number
Deduction Amount		Amount withheld from the employee's pay warrant for the deduction client; or the amount owed to SCO by the deduction client for the particular employee (identified by (-) in the column in front of the dollar amount).
Warrant Number		Number of the employee's warrant from which the deduction was withheld; or the number of a cancelled warrant previously issued where a deduction was withheld.
Deduction Amount		The total dollar amount of deductions remitted for this period.
Count		The number of transactions reported on the Payroll Deduction Report for this period.

When credit (-) deduction entries appear on the deduction reports, the total amount of the credits will be recovered by SCO from the total deduction amount due. Therefore, the total deduction amount on the last page of a deduction report and the net payment will include the credits.

Notice of Deduction Deletion or Temporary Discontinuance, PR1740A

The PR1740A, Notice of Deduction Deletion or Temporary Discontinuance is used by SCO to notify deduction clients of personnel/payroll documents which affect employees' deductions. These notices provide information on the following types of personnel/payroll transactions:

- Name Change
- Social Security Number Change
- Employment Status Change (separation, retirement, disability, leave of absence, punitive suspension, and inactive status)

An employee SSN or name change will not cause the employee's deduction to be deleted or temporarily discontinued. Instead, the employee's deduction will be reported on the Payroll Deduction Report under the new SSN or name. Generally, employment status changes will cause deductions to occur at a later date or not at all.

Deduction clients should use the PR1740A's to update their records and reconcile payroll deduction activities of the employees. Using the information provided on the PR1740A's and the explanation of personnel/payroll transactions in this handbook, deduction clients can determine whether deductions will or will not be withheld.

The PR1740A's are mailed once a week and only when personnel/payroll documents are processed by SCO for employees with this deduction. If a deduction client wants to receive PR1740A's, please indicate this on the Payroll Deduction Specifications sheet (Item #7), or submit a written request to the Deduction Program Coordinator (see Controller's Office Contact List).

The following information is printed on the PR1740A.

<u>Item</u>	<u>Explanation</u>
SSN	Last Four Digits of Employee's Social Security Number
Employee Name	First and middle initials, first 13 characters of last name
Ded Code	Three digit Deduction Code Number
Org Code	Three digit Organization Code Number
Deduction Amount	Dollar amount of the deduction
Effective Date	Effective month, day, year of the personnel/ payroll transaction

Reason	<p>Identifies the specific personnel/payroll transaction which results in the employee's deduction being terminated, temporarily discontinued, or reported elsewhere on the form.</p> <p>If the explanation indicates an SSN or name change, the new SSN or name will appear after the explanation.</p> <p>If the explanation indicates a leave of absence, the return date (month, day, year) of the employee to active pay status will appear after the explanation.</p>
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Notice of Deduction Deletion or Temporary Discontinuance, Form PR1740A - (Collective Bargaining)

Employees whose deductions were cancelled in the collective bargaining cancellation process are listed on a separate PR1740A, Notice of Deduction Deletion or Temporary Discontinuance. This notice is provided to the deduction client approximately seven days following the deduction cancellation.

The information contained on the PR1740A for collective bargaining cancellation is the same as shown above with these exceptions:

<u>Item</u>	<u>Explanation</u>
Effective Date	Month, day, year the deduction is cancelled.
Reason	<p>An explanation of why the deduction was cancelled:</p> <ul style="list-style-type: none"> - "DED NOT EXCLUSIVE REP" means the deduction is not allowed under G.C. 3515.6. - "CBID=R##" provides the employee's collective bargaining identifier. The "R" means the employee is <i>represented</i> and the numbers identify the employee's bargaining unit number.

INTERNET REPORTING PROCESS

The State Controller's Office established an Internet Payroll Deduction file reporting process to enable your organization to receive data via the Internet. The file contains detail of reportable deductions withheld from employees' salaries and wages during the pay period as listed in the deduction report.

This section contains the instructions and requirements for obtaining the deduction file from the State Controller's Office server. The requirements have been established to ensure an efficient operation between your organization and the State Controller's Office. These requirements must be met until the agreement to receive these files is terminated. Failure to comply with these requirements could terminate the agreement, preventing access of your organization's files.

The process of retrieving confidential data files from the SCO is extremely sensitive. Security certificates are used for absolute authentication of clients, while encryption is used for secure transmission of the data. We want our clients to feel comfortable with the level of security built into this process.

In order to participate in the Internet Payroll Deduction Reporting Process, you must first complete a Participation Request Form. This form must be signed by an authorized representative of your company. The form must be returned to our office for processing at least one month prior to the effective date indicated in item 2 on the Participation Request form.

Due to system constraints, we are unable to offer this process for deduction code 035.

If your organization has been assigned multiple deduction/ organization codes, you will receive one file containing the data for all your assigned deduction/organization codes.

The file may be produced on either a semi-monthly or monthly basis:

Semi-monthly:

The first file will reflect deduction activity from the second of the month through the 16th of the month. The second file will reflect deduction activity from the 17th of the month through the first of the following month.

Monthly:

The file will reflect deduction activity from the second of the month through the first of the following month.

File Availability

The files will be available on the server as soon as our semi-monthly and monthly business month processes have completed. When this occurs, an e-mail notification will be sent informing you of their availability.

File Retention

The files will be maintained on the server for a period of ninety (90) days, after which time they will be purged. We suggest you immediately make back-up copies of any files obtained from the server.

File Transfer Protocol over SSL

This method is sometimes referred as FTP over SSL or FTPS. Conventional port number used for this protocol is 990. However, SCO has a proxy server as a front end to its mainframe, allowing the clients to connect to it. Clients are expected to use port 21 and ephemeral ports 50290 through 50299 as transitory data ports.

SCO supports Core FTP Lite, FileZilla (version 3.0.11 and older), WS-FTP Professional, and Reflection FTP Client. All four of them provide FTP/SSL. We are recommending FileZilla

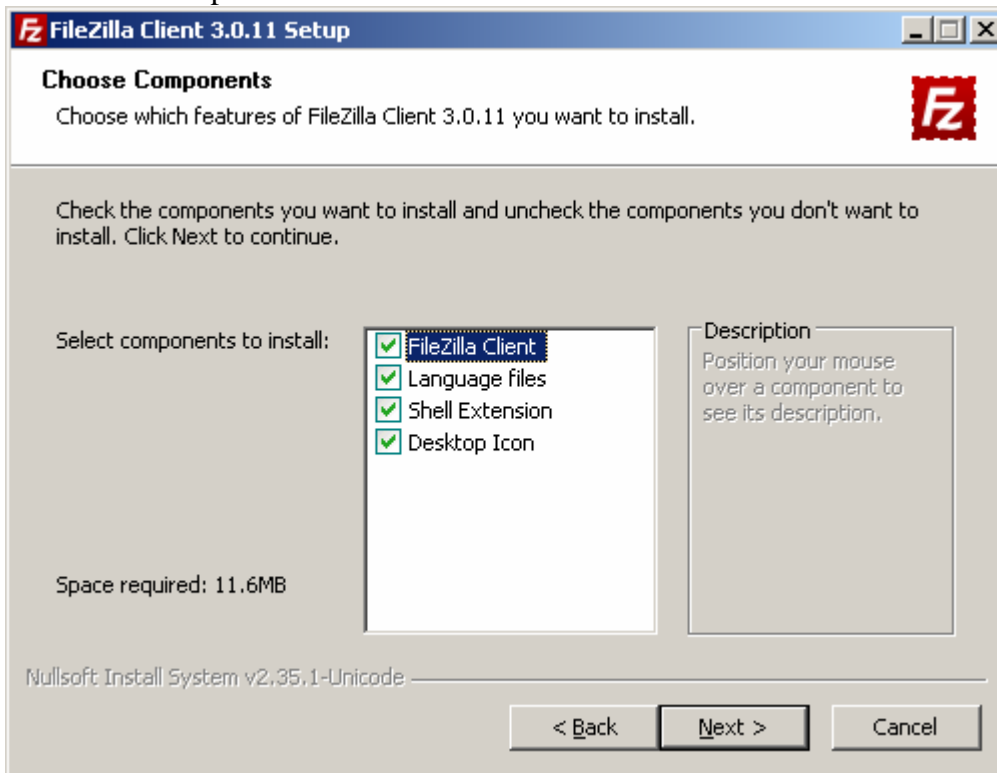
3.0.11 for the SCO Payroll Deduction Reporting process and the following instructions are for using FileZilla. Additional documentation for Core-FTP, WS-FTP and Attachmate Reflection configuration can be provided upon request.

Once you have completed and submitted the Participation Request Form, the State Controller's Office Information Security Office will send you email with your userid and a phone number (916-322-8094) to call to receive your temporary password.

You can download Open Source FileZilla version 3.0.11 at <http://www.pcauthority.com.au/Download/114241,filezilla-3011.aspx>.

Configuration

Choose the components to install



After starting up FileZilla go to Transfer, Transfer Type and choose the type (for most users it will be ASCII).

Next go to File, Site Manager, you will see a Site Manager pop up. Please set up a site to connect to the proxy as shown in the screen print.

Configure as follows:

New Site: name it to anything you'd like

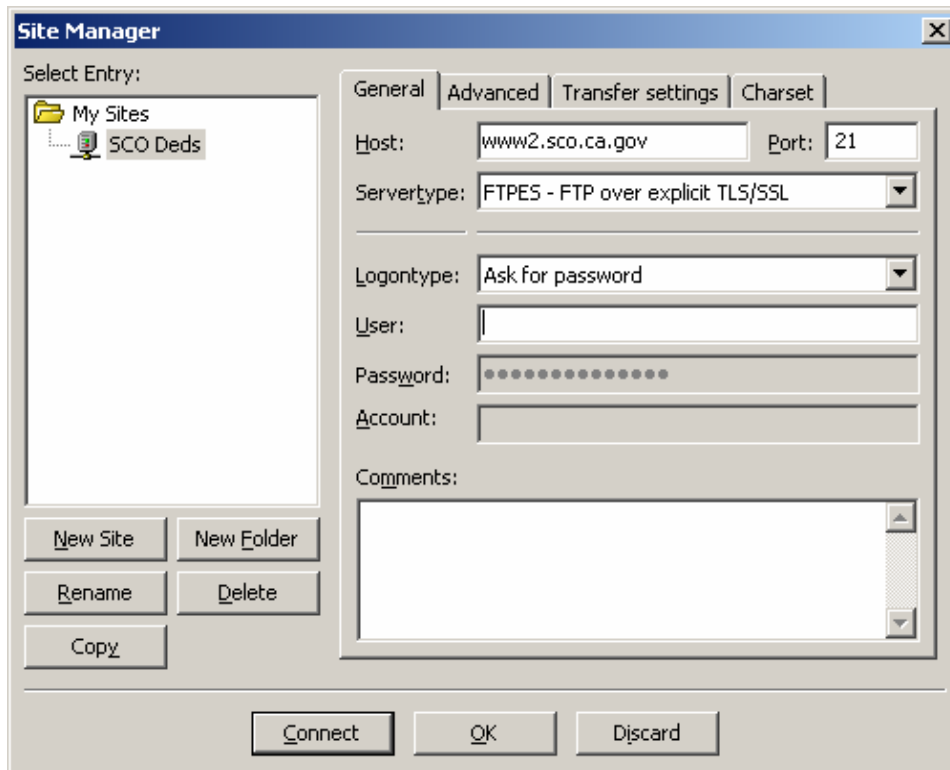
Host: www2.sco.ca.gov

Port: 21

Connection: FTPES – FTP over explicit TLS/SSL

Logontype: Ask for password

User: Use the SCO mainframe user ID (provided by SCO)

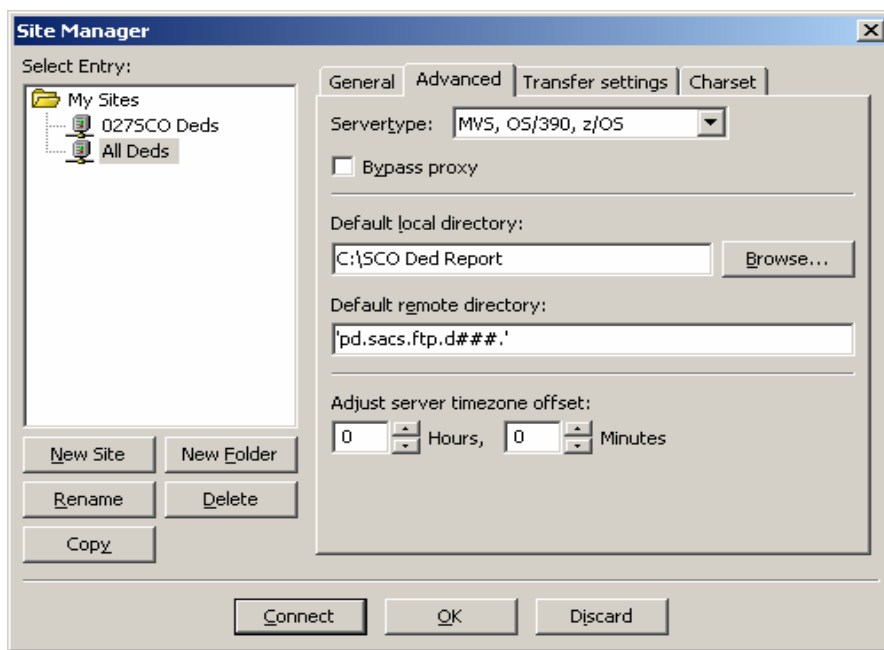


Go to Advanced Tab

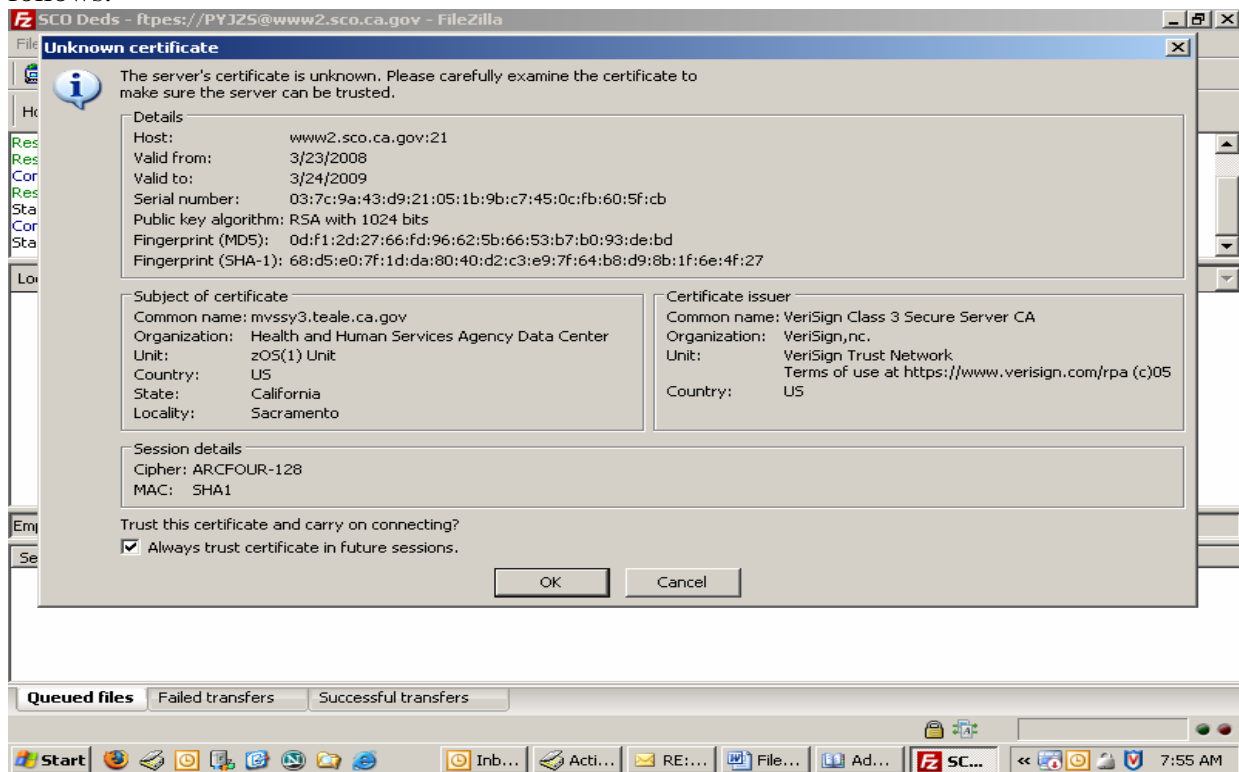
Srvtype: MVS, OS/390, z/OS

Default local directory: browse to the location you want to store your files

Default remote directory: 'pd.sacs.ftp.d####.' where #### is the file assigned to you by SCO (in the email with your user ID).



Click on Connect button, and you will see a popup on Certificate Information as follows.



SCO Mainframe Password

Enter your mainframe Password when prompted.

If this is the first time you are using the user id, SCO security group has assigned you a temporary password. You need to change the password by entering the following combination without spaces and without quotes

currentpassword/newpassword/newpassword

In addition, FTP client software simply returns '530 password error' when your password is expired. When you suspect your password may have expired, try to change it by entering the combination of current password new password mentioned above.

SCO mainframe password rules are:

- o Passwords expire after 90 days (this will soon be the policy, currently it is 35 days)
- o The system maintains 32 generations of password, so you should not reuse those
- o After 5 consecutive unsuccessful attempts, the user id will be revoked. You will need to contact SCO Information Security group to get the id resumed.
- o If the user id remains inactive 90 days, it will be revoked.
- o For password syntax, a strong password is required which must include at least one upper case letter, one lower case letter and a number.

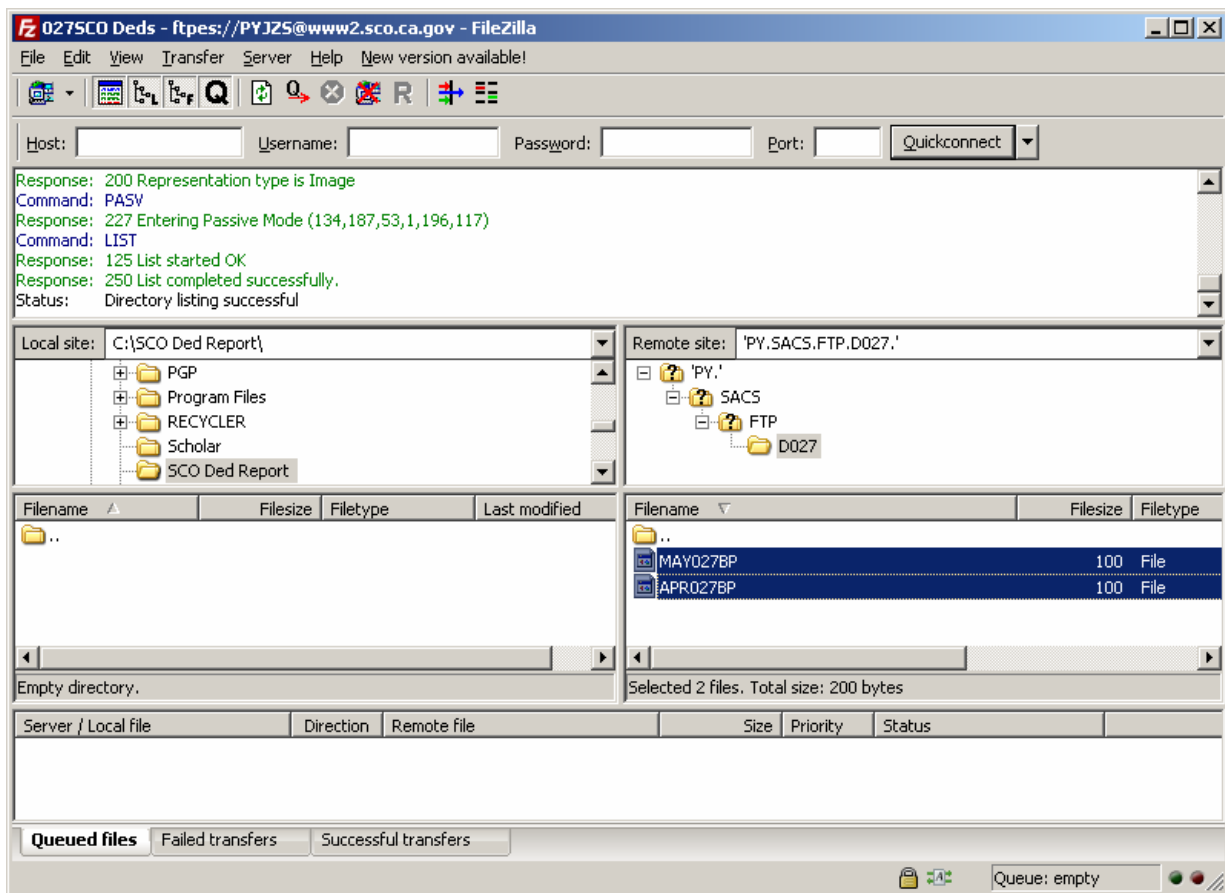
File Transfer

Upon successful logon, you will see a screen with a list of the files in your mainframe home directory. Your files will be named using a specific convention. The naming convention for your files will be Month, File Designation Code, Reporting Frequency Indicator and Translation Indicator.

The file name will consist of Month (three characters), followed by a file designation code (three characters), followed by an "A" or a "B". The "A" indicates the file is a mid-month file (if your organization receives reports on a semi-monthly basis). The "B" indicates the file is a month-end file. The last character of the file name indicates whether the file is ASCII or EBCDIC translation. ASCII translation files will be indicated by the character "P", while EBCDIC translation files will be blank.

Sample file names are as follows:

JUL150A	July Mid-Month report-EBCDIC
JUL150AP	July Mid-Month report-ASCII
JUL150B	July Month-end report-EBCDIC
JUL150BP	July Month-end report-ASCII



From here, you can click on the file you want to download and drag and drop to the target area, double click it or right click on it and choose download.

Opening Files

Close FileZilla and go to the **Default local directory** that you setup in the configuration process. You can open the file by double clicking it and choosing the program to open it with or opening excel, go to file open, browse to the **Default local directory**, change Files of Type to 'All Files (*.*)' and then choosing the file name. This will take you through the wizard to format your report.

File Characteristics

The State Controller's Office will generate two types of files for each organization, EBCDIC formatted and ASCII formatted.

Characteristics of the EBCDIC formatted file:

The file will contain two types of records, one for detail and the other a total record. Please refer to the file descriptions and layouts beginning on page 58. The logical record length is 90 characters.

Characteristics of the ASCII formatted file:

The file will contain two types of records, one for detail and the other a total record. Please refer to the file descriptions and layouts beginning on page 58. The logical record length is 106 characters.

Common Errors

The most common errors are invalid login userid or password. If you cannot remember your password or suspect it's expired, please contact SCO Information Security Office at (916) 322-8094.

If you can connect and login to the system but cannot see the directory listing, you may have problems receiving the data. Have your firewall admin confirm that ports 50290 through 50299 are enabled.

For any problems related to the nature of the data file, contact the Deduction Program Coordinator at (916) 322-7968 on Monday through Friday, 0800 through 1700. For any problems related to the connection, contact DTS Help Desk at (916) 464-4311.

Participation Request Form

The Participation Request form details the characteristics of the file and initiates the agreement between your organization and the State Controller's Office.

A blank Participation Request form is included in this package on pages 54-55. You must submit this Participation Request form to our office for processing. A copy of the completed Participation Request form should be retained by your organization for future reference. Complete and return the form to the Deduction Program Coordinator at least one month prior to the effective date indicated in item 2 on the Participation Request form (see form for routing address). The effective date must be the first reporting period of the month being requested.

Once your request has been received and processed, the Deduction Program Coordinator will contact your organization with further information to proceed in requesting a security certificate. Upon issuance of an approved certificate, SCO will establish your file process in our production environment.

The Deduction Program Coordinator must be notified *in writing* when there is a change to any of the information provided on the Participation Request form or if your organization wishes to terminate the process of receiving files via the Internet. Notification must be sent at least one month prior to the effective month changes are to occur.

Reconciliation of Deduction Activity

SCO does not reconcile deduction activity for the deduction client. Deduction clients should not contact SCO regarding non-withholding of a deduction for an employee unless the deduction has not been made for two consecutive months.

Deduction clients should research Form PR1740A's and verify if Form CD88's were returned due to errors or the employee submitted an administrative deduction cancellation request.

Initially, deductions not withheld are due to: 1) incorrect data or future pay periods on Form CD88, and 2) late receipt of Form CD88's. Subsequent deduction problems usually involve delayed pay which will be reflected in later reporting of deductions.

Contact List

- Questions regarding the deduction program or non-receipt of deduction material:

SCO, Deduction Program Coordinator (916) 322-7968

- Problems or questions regarding File Transfer Protocol (FTP):

SCO, FTP Coordinator (916) 324-7268

- If you want to establish or have a question regarding courier pick up:

SCO, Supervisor, Warrant Release Desk (916) 324-0121

- Questions regarding an employee's status, or the processing of deduction forms:

SCO, Miscellaneous Deductions Unit (916) 372-7200

- To register as a Bona Fide Association or Employee Organization:

(Civil Service)
Kate Vansickle
Department of Human Resources
Labor Relations Division
1515 "S" Street, North Building, Suite 400
Sacramento, CA 95814-7243
(916) 324-0435

(California State Universities)
Linda San
CSU, Office of the Chancellor
Benefits and Payroll Services
401 Golden Shore, 4th Floor
Long Beach, CA 90802-4210
(562) 951-4411

APPLYING FOR PROGRAM PARTICIPATION

To apply for payroll deduction privileges, complete and submit the Hold Harmless Agreement, Payroll Deduction Specifications Form and Internet Participation Request Forms to SCO. All forms must be submitted together—one form without the other, or forms with missing/illegible information, will delay the SCO approval process. If more than one deduction code is being requested, separate forms must be completed for each code. A copy of the completed forms should be made and retained by the deduction client.

Hold Harmless Agreement

This form contains certified statements and a hold harmless agreement or waiver of liability that a deduction client must enter into with SCO for payroll deduction privileges.

Payroll Deduction Specifications

This form provides SCO with key information needed to establish your file on our system to begin withholding and remitting monies. The information below explains each item on the form in detail to help you to determine your needs regarding the reporting of payroll deductions.

1. **FULL NAME OF DEDUCTION CLIENT**—Enter the official name of the organization to be recorded in SCO files.
2. **PAYEE NAME** – Enter the exact payee name to be written on the warrant. Maximum 70 characters.
3. **STAFF AUTHORIZED TO SIGN FORM CD88 AND OTHER CORRESPONDENCE** – Your organization must authorize representatives to sign Form CD88 and other correspondence directed to SCO including any changes to information in your file, such as address changes. All documents submitted to SCO without an authorized signature will be returned unprocessed. If more space is needed, attach a separate sheet.
4. **MAILING ADDRESS** – Enter the complete mailing address where payroll deduction warrants, reports, and other deduction-related materials will be sent. You must specify *one* mailing address where *all* deduction information and materials will be mailed.

It is the deduction client's responsibility to immediately notify SCO in writing of an address change. Failure by a deduction client to provide timely notification can delay the receipt of deduction monies, reports, and other pertinent deduction materials.

5. PAYROLL DEDUCTION REPORT FORMAT – The Payroll Deduction Report can be produced in several formats.

Sequence (check one):

<i>alphabetic</i>	Employees will be listed in surname order; or,
<i>numeric</i>	Employees will be listed in Social Security Number order.

Totals:

<i>final totals only</i>	The total count and deduction amount will be printed at the end of the report only
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6. WE REQUEST FILE TRANSFER PROTOCOL INFORMATION ON—If you are interested in receiving further information regarding file transfer protocol input, please indicate, otherwise leave blank.
7. DO YOU WISH TO RECEIVE FORM PR1740A?—Indicate if you wish to receive this report as described earlier in this handbook.
8. REPORTING FREQUENCY—You have the choice of either *semi-monthly* or *monthly* reporting frequency.

Under a *semi-monthly* reporting frequency, SCO will remit monies and report deduction activities twice a month, the 1st and 16th. A warrant, remittance advice, and the Payroll Deduction Report, dated the 1st include deduction activity from payrolls issued from the 17th of one month through the 1st of the following month. The 16th includes deduction activity from payrolls issued from the 2nd through the 16th of a month.

If mid-month activity results in a credit (CR) amount or warrants for less than \$100 for three monthly reporting periods, SCO will change the reporting frequency to a monthly basis. The affected deduction client will be notified of the reporting frequency change and may again request the semi-monthly reporting option when there is sufficient activity. Requests for renewed semi-monthly reporting should be made by contacting the Deduction Program Coordinator (see Controller's Office Contact List).

Under the *monthly* reporting frequency, SCO will remit monies and report deduction activities once a month on the 1st. These remittances and reports include deduction activity from payrolls issued from the 2nd of one month through the 1st of the following month.

9. **CONTACT PERSON**—Enter the name, address, and telephone number of a representative from your organization. The facsimile or FAX number will be kept on file and used only if necessary. (Deduction material will *not* be faxed on a regular basis.)

10. **(CERTIFICATION)**—Enter the signature, printed name, and title of an authorized representative of your organization, and the date signed in the spaces provided.

Changes to Deduction Client Specifications

All information submitted on the Payroll Deduction Specifications form may be changed at any time through a written request. The request must include your six (6) digit deduction code, and it must be signed by an authorized individual (see Item #3).

Failure to notify SCO of any mailing address or authorized signature changes in a timely manner will delay the receipt of deduction monies or other pertinent information concerning deduction policies and procedures. Please keep this information current.

SAMPLE Employee Authorization Form

PAYROLL DEDUCTION AUTHORIZATION

DED/ORG CODE LAST NAME FIRST M.I. SOCIAL SECURITY NO.

ORGANIZATION NAME

I HEREBY AUTHORIZE THE STATE CONTROLLER TO DEDUCT FROM MY SALARIES AND WAGES THE AMOUNT SPECIFIED NOW OR IN THE FUTURE FOR MEMBERSHIP DUES AND ANY BENEFIT PROGRAM FOR WHICH I HAVE APPLIED, WHICH IS SPONSORED BY THE ABOVE NAMED ORGANIZATION.

THIS AUTHORIZATION WILL REMAIN IN EFFECT UNTIL CANCELLED BY ME OR BY THE ABOVE NAMED ORGANIZATION.

I CERTIFY I AM A MEMBER OF THE ABOVE NAMED ORGANIZATION AND UNDERSTAND THAT TERMINATION OF MEMBERSHIP WILL CANCEL ALL DEDUCTIONS MADE UNDER THIS AUTHORIZATION.

SIGNED: _____ DATE: _____

NOTE: Deduction clients using their own employee authorization form are required to conform to the above sample.

FORM CD88 COMPLETION INSTRUCTIONS

The Form CD88 must be completed (typed or hand written in legible form) as outlined below to add, change the amount, or delete the employee's deduction.

NOTICE TO THE STATE CONTROLLER OF PAYROLL DEDUCTION AUTHORIZATION									
The State Controller is hereby authorized to add, delete, or change the payroll deduction for the below-named employee.									
(FILL-IN FORM (USE TAB TO MOVE BETWEEN FIELDS), OR PRINT TYPE OR HAND WRITTEN FORM BELOW)									
NAME OF COMPANY OR ORGANIZATION									
A									
EMPLOYEE IDENTIFICATION									
Social Security Number			Initial		Last Name				
B			C		D				
DEDUCTION INFORMATION									
Deduction Code	Organization Code	Deduction Amount	Type of Change (check ONE box)			Pay Period			
E	F	G	1 <input type="checkbox"/> NEW	2 <input type="checkbox"/> DELETE	3 <input type="checkbox"/> CHANGE	Month	Year		
						I	J		
H									
I CERTIFY THAT AUTHORIZATION FOR PAYROLL DEDUCTIONS SIGNED BY THIS EMPLOYEE AND APPOINTING THE ABOVE-NAMED COMPANY OR ORGANIZATION AS HIS/HER AGENT IS ON FILE IN THIS OFFICE.									
DATE			SIGNATURE OF AUTHORIZED COMPANY OR ORGANIZATION OFFICIAL						
PHONE NUMBER: _____									
Send to: State Controller's Office, Personnel/Payroll Services Division Attn: Miscellaneous Deductions Unit PO Box 942850, Sacramento, CA 94250-5878									
FORM CD88 (Rev. 5/15) PAYROLL DEDUCTION AUTHORIZATION									

Name of Company or Organization

- A Enter the deduction client name as recorded with SCO.

Social Security Number

- B Enter the employee's Social Security Number.

Initials

- C Enter the employee's first and middle initials.

Last Name

- D Enter the employee's full last name.

Deduction Code

- E Enter your assigned three (3) digit Deduction Code number.

Organization Code

- F Enter your assigned three (3) digit Organization Code number.

Deduction Amount

- G Enter the total monthly amount that is to be withheld from the employee's pay. Leave blank when deleting.

Type of Change

- H Check only one box: NEW, DELETE, or CHANGE.

Pay Period - Month

- I Enter the numerical month of the effective pay period (e.g., '01' for January).

Pay Period - Year

- J Enter the last two digits for the year (e.g., '15' for 2015).

Date

- K Current date will be displayed.

Signature of Authorized Company or Organizational Official

- L Must be the original signature of the person authorized to sign Form CD88.

Phone Number

- M Please enter area code + phone number using numerical characters only (e.g., enter (222) 333-4444 as 2223334444)

Mail to: State Controller's Office
Personnel/Payroll Services Division
Attn: Miscellaneous Deductions Unit
PO Box 942850
Sacramento, CA 94250-5878

California Careers Association

123 Broadway, Los Angeles, CA 91234

February 2, 2015

State Controller's Office
Deduction Program Coordinator
P.O. Box 942850
Sacramento, CA 94250-5878

RE: MASS UPDATE FOR 088-999

Please be advised that effective with the March 2015 pay period, our membership dues in the California Careers Association have been increased from \$20 to \$25 per month for all members.

Our membership has been advised of this change through our newsletter and we understand informing you of this action now will allow you time to process a mass update, so that it will be reflected on the March pay warrants to be received April 1, 2015.

Sincerely,

I.M. Authorized
CCA Secretary

Sample of a cover CD88 and double-spaced list.

NOTICE TO THE STATE CONTROLLER
OF PAYROLL DEDUCTION AUTHORIZATION

The State Controller is hereby authorized to add, delete, or change the payroll deduction for the below-named employee.

(FILL-IN FORM (USE TAB TO MOVE BETWEEN FIELDS), OR PRINT TYPE OR HAND WRITTEN FORM BELOW)

NAME OF COMPANY OR ORGANIZATION	
California Careers Association	

EMPLOYEE IDENTIFICATION			
Social Security Number	Initial	Last Name	
Various		Various	

DEDUCTION INFORMATION							
Deduction Code	Organization Code	Deduction Amount	Type of Change (check ONE box)			Pay Period	
088	999	Various	1. NEW <input checked="" type="checkbox"/>	2. DELETE <input type="checkbox"/>	3. CHANGE <input type="checkbox"/>	Month 05	Year 15

I CERTIFY THAT AUTHORIZATION FOR PAYROLL DEDUCTIONS SIGNED BY THIS EMPLOYEE AND APPOINTING THE ABOVE-NAMED COMPANY OR ORGANIZATION AS HIS/HER AGENT IS ON FILE IN THIS OFFICE.

6/13/15 I.M.
DATE SIGNATURE OF AUTHORIZED COMPANY OR ORGANIZATION OFFICIAL

PHONE NUMBER: _____

Send to: State Controller's Office, Personnel/Payroll Services Division
Attn: Miscellaneous Deductions Unit
PO Box 942850, Sacramento, CA 94250-5878

FORM CD88 (Rev. 5/15) PAYROLL DEDUCTION AUTHORIZATION

California Careers Association
Code 088-999

Attachment to CD88
May 2015 Pay Period

Social Security #	Name	Amount
955-44-1234	WE DOUGHERTY	30.01
955-44-1235	HU MACDONALD	25.97
955-44-1236	SO SMITH	33.70
955-44-1237	BA JARVIS	31.61
955-44-1238	ER AUSTIN	15.00
955-44-1239	DE MARTIN	15.00
955-44-1240	JH ADAM	31.11
955-44-1241	JA WILLIS	31.11
955-44-1242	CA HERRING	24.92
955-44-1243	VK MANNING	29.06
955-44-1244	N NGUYEN	36.72
955-44-1245	DD LIVINGSTON	23.27

Sample Remittance Advice

WARRANT NO. 00123456	STATE OF CALIFORNIA REMITTANCE ADVICE	DEDUCTION CODE 051-999
FROM	STATE CONTROLLER'S OFFICE DIVISION OF DISBURSEMENTS	
TO	CALIFORNIA CREDIT UNION	
PAYROLL DEDUCTIONS FOR PERIOD ENDING MAY 1, 2015		
TOTAL DEDUCTED AMOUNT		\$12,235.67
LESS SERVICE CHARGES:		
DEDUCTION PROCESSING CHARGE		
(1,234 DEDUCTIONS TIMES \$0.62)		
	765.08	

		765.08

EQUALS NET PAYMENT		\$11,470.59

STATE OF CALIFORNIA – PAYROLL SYSTEM

PROGRAM ID PR1740-A
MACHINE DATE 03/03/15
MACHINE TIME 20:17:00

PAGE 1

NOTICE OF DEDUCTION DELETION OR TEMPORARY DISCONTINUANCE

SSN	EMPLOYEE NAME	DED CODE	ORG CODE	DEDUCTION AMOUNT	EFFECTIVE DATE	EXPLANATION
9999	JL GASKINS	021	051	265.00	02/23/15	LEAVE OF ABSENCE UNTIL 07/01/15
9999	FA SCHWARTZ	021	051	105.00	02/19/15	RETIRED FROM STATE 03/01/15
9999	BW SMITH	021	051	75.00	02/22/15	SEPARATED FROM STATE 03/01/15

SUBTOTALS FOR DED CODE 021 ORG CODE 051 NOTICES PRINTED 3 NOTICES PUNCHED 0

NOTICE TO THE STATE CONTROLLER OF PAYROLL DEDUCTION AUTHORIZATION

The State Controller is hereby authorized to add, delete, or change the payroll deduction for the below-named employee.

(FILL-IN FORM (USE TAB TO MOVE BETWEEN FIELDS), OR PRINT TYPE OR HAND WRITTEN FORM BELOW)

NAME OF COMPANY OR ORGANIZATION	

EMPLOYEE IDENTIFICATION			
Social Security Number		Initial	Last Name

DEDUCTION INFORMATION							
Deduction Code	Organization Code	Deduction Amount	Type of Change (check ONE box)			Pay Period	
			NEW	DELETE	CHANGE	Month	Year
			1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>		

I CERTIFY THAT AUTHORIZATION FOR PAYROLL DEDUCTIONS SIGNED BY THIS EMPLOYEE AND APPOINTING THE ABOVE-NAMED COMPANY OR ORGANIZATION AS HIS/HER AGENT IS ON FILE IN THIS OFFICE.

DATE

SIGNATURE OF AUTHORIZED COMPANY OR ORGANIZATION OFFICIAL

PHONE NUMBER: _____

Send to: State Controller's Office, Personnel/Payroll Services Division
Attn: Miscellaneous Deductions Unit
PO Box 942850, Sacramento, CA 94250-5878

State Controller's Office

DEDUCTION COMPANY AUTHORIZED SIGNATURE FORM

INSTRUCTIONS: Must be typed or completed in ink. To assure a continuity of signatures, the certification must be signed by someone whose authorized signature is currently on file with the office. If more space is needed, attach a separate sheet.

Name

Sample Signature or Stamp

Name

Sample Signature or Stamp

Name

Sample Signature or Stamp

Name

Sample Signature or Stamp

Name

Sample Signature or Stamp

I CERTIFY THE PERSONS NAMED ABOVE ARE AUTHORIZED TO SIGN FORM CD88'S AND ALL CORRESPONDENCE FROM THIS OFFICE.

Deduction/Organization Code

Signature of authorized Officer

Deduction Client Name

Name (please print)

Mailing Address

Date

City

State

Zip

Phone

Send to: State Controller's Office, Personnel/Payroll Services Division, PO Box 942850, Sacramento CA 94250-5878, Attn: Deduction Program Coordinator. Questions regarding this form may be directed to the State Controller's Office at (916) 322-7968.

(Rev. 5/15)

HOLD HARMLESS AGREEMENT
PURSUANT TO GOVERNMENT CODE SECTION 1153(c)

(Deduction Client Name – Please type or print in ink)

hereby requests payroll deductions.

1. We certify that the eligibility requirements set forth above and in Government Code Sections 1151 and 1152 are satisfied and will continue to be satisfied as long as payroll deductions are being withheld for the above named client.
2. We have read and accept the policies, methods, and procedures of the State Controller's Office relating to payroll deductions as outlined in the Deduction Program Handbook.
3. We agree to notify the State Controller's Office immediately of any changes required to the payroll deductions of the above named client.
4. We agree, in consideration for and as a condition of the State controller withholding and transmitting payroll deductions authorized by Government Code Sections 1151 and 1152 to hold harmless, the State of California, its officers and employees from any liability that may result from making, canceling or changing required deductions.

Signature of Authorized Official

Name of Authorized Official

Title

Date

State of California
STATE CONTROLLER'S OFFICE
PAYROLL DEDUCTION SPECIFICATIONS
(Rev. 5/15)

*Do not complete this form until you read the
instructions in the accompanying Deduction
Program Handbook*

Please type or print legibly

1. Full Name of Deduction Client:

--

2. Payee Name:

3. Staff authorized to sign form CD88 and other correspondence:

Printed name	Sample signature or stamp ▶
Printed name	Sample signature or stamp ▶
Printed name	Sample signature or stamp ▶
Printed name	Sample signature or stamp ▶

4. Mailing Address:

6. File Transfer Protocol (FTP):

☐ Yes ☐ No

7. Do you wish to receive form PR1740A?

☐ Yes ☐ No

8. Reporting Frequency (*Check One*):

☐ Semi-Monthly ☐ Monthly

5. Payroll Deduction

Sequence (*Check One*): ☐ Alphabetic ☐ Numeric

10. I AGREE TO THE REQUIREMENTS AND CONDITIONS SET FORTH
IN THE ACCOMPANYING CORRESPONDENCE.

Signature of Authorized Official

▶

Printed Name

--

Title

Date

--

9. Contact person name/address:

.

--

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*Send completed forms to: Deduction Program Coordinator, State Controller's Office, Personnel/Payroll Services Division,
PO Box 942850, Sacramento, CA 94250-5878.*

OFFICE OF THE STATE CONTROLLER
INTERNET PAYROLL DEDUCTION REPORTING
PARTICIPATION REQUEST FORM

TO: State Controller's Office
PPSD/Systems Activities Coordination & Support
P.O. Box 942850
Sacramento, CA 94250-5878
Attention: Deduction Program Coordinator

RE: INTERNET PAYROLL DEDUCTION REPORTING PROCESS

1. We hereby request the State Controller's Office begin transmitting our company/organization Payroll Deduction data via the Internet. Our deduction/organization codes are as follows:

Deduction/Org Code	<u> / </u>	Deduction/Org Code	<u> / </u>	Deduction/Org Code	<u> / </u>
Deduction/Org Code	<u> / </u>	Deduction/Org Code	<u> / </u>	Deduction/Org Code	<u> / </u>
Deduction/Org Code	<u> / </u>	Deduction/Org Code	<u> / </u>	Deduction/Org Code	<u> / </u>

If additional space is needed, please attach a separate page and submit with this form. It is imperative that all deduction/organization codes be listed as only those codes will appear in the Internet file.

2. We would like to receive Internet files beginning ____ / ____ / ____.

This request form must be received in our office at least 1 month prior to the above reporting period.

3. The name, e-mail address, phone # and IP address of the representative(s) from your organization that will be performing the actual file transfers.

Name (First MI Last) _____ Phone number _____
E-mail address _____

Name (First MI Last) _____ Phone number _____
E-mail address _____

Name (First MI Last) _____ Phone number _____
E-mail address _____

Name (First MI Last) _____ Phone number _____
E-mail address _____

Note: It is extremely important that the e-mail addresses provided be the individuals who will ultimately be performing the file transfers. Information provided on the Participation Request form will be used to validate and authorize your request for system access.

4. The representative from your organization to whom the State Controller's Office can direct inquiries in the event problems are encountered is:

Name _____ Phone number _____
E-mail address _____

5. We agree to notify the State Controller's Office *in writing* of any change or should we desire to terminate this agreement.
6. We agree to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses that may result from reporting of payroll deduction information.
7. We understand and agree to the requirements and conditions set forth for receiving these deduction files through SCO's secure server. The undersigned signature is a person authorized to sign payroll deduction authorizations and constitutes validation of the requesting source.

Name of Company/Organization

Name of Authorized Representative

Phone

Signature of Authorized Representative

Title

Date

DIRECT DEPOSIT**ENROLLMENT AUTHORIZATION (DEDUCTIONS)**

Form 699D (Rev. 5/15)

This authorization remains in full force and effect until the State Controller's Office receives written notification from the organization of its termination, or until the State Controller's Office deems it necessary to terminate the agreement.

- COMPLETION INSTRUCTIONS AND PRIVACY NOTICE ARE ON THE REVERSE SIDE OF THIS FORM. PLEASE TYPE OR USE BALL POINT PEN-PRINT CLEARLY.

SECTION A

1. TYPE OF ENROLLMENT ACTION		2. DEDUCTION/ORGANIZATION CODE(S)	
1. <input type="checkbox"/> NEW	(Sections A, B, C & D Must Be Completed)	<div style="display: flex; justify-content: space-around;"> <div>____ - ____</div> <div>____ - ____</div> <div>____ - ____</div> </div>	
2. <input type="checkbox"/> CHANGE	(Sections A, B, C & D Must Be Completed)	3. ORGANIZATION NAME (Alpha Characters Only)	
3. <input type="checkbox"/> CANCEL	(Sections A & D Must Be Completed)		

SECTION B

1. TYPE OF ACCOUNT		MUST BE CHECKED. IF LEFT BLANK, WILL BE PROCESSED AS CHECKING.	
<input type="checkbox"/> C (Checking)	<input type="checkbox"/> D (Savings)		
<u>Verify Routing/Depositor Numbers with Financial Institution</u>			
2. ROUTING NUMBER	<div style="border: 1px solid black; width: 100px; height: 20px; display: flex; align-items: center; justify-content: center;"> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> </div>	3. DEPOSITOR ACCOUNT NUMBER	
4. FINANCIAL INSTITUTION NAME			
5. FINANCIAL INSTITUTION ADDRESS		(Number and Street)	City State Zip

SECTION C

This organization (named in Section A(3) above) hereby authorizes the State Controller's Office to provide for Direct Deposit of any deduction monies due this organization, less any mandatory withholding of service charges or overpayments, in the above designated account.

If at any time the amount of the deduction monies so deposited exceeds the amount of deduction monies actually due and payable to this organization, the State Controller's Office is hereby authorized to either:

(a) Withhold a sum equal to the overpayment from future payments; or

(b) Recover such overpayment from the above designated account.

If the State is legally obligated to withhold any part of these payments for any reason, or if this organization no longer meets eligibility requirements for the deduction program, the State Controller's Office may terminate this organization's Direct Deposit enrollment.

If any action taken by this organization results in nonacceptance of a Direct Deposit by a designated financial institution, this organization understands that the State assumes no responsibility for processing a supplemental deduction payment until the amount of the nonaccepted deposit is returned to the State by the financial institution.

☐ 100% of net deposit will not be sent to a financial institution outside the jurisdiction of the U.S.

I HEREBY CERTIFY THAT I AM THE DULY APPOINTED; QUALIFIED AND ACTING OFFICER OF THE HEREIN NAMED AND THAT, BEING SO AUTHORIZED, DO CERTIFY THAT THE ABOVE INFORMATION IS ACCURATE AND TRUE.	AUTHORIZED ORGANIZATION SIGNATURE	DATE
--	-----------------------------------	------

SECTION D

FOR SCO ONLY 1. DATE RECEIVED BY SCO MO. DAY YR. <div style="border: 1px solid black; width: 100px; height: 20px; display: flex; align-items: center; justify-content: center;"> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> </div>	2. REMARKS	3. E-MAIL ADDRESS
4. EFFECTIVE DATE MO. DAY YR. <div style="border: 1px solid black; width: 100px; height: 20px; display: flex; align-items: center; justify-content: center;"> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> <div style="width: 20px; height: 20px; border: 1px solid black;"></div> </div>		5. TELEPHONE NUMBER ()

PLEASE READ THIS INFORMATION CAREFULLY

COMPLETION INSTRUCTIONS

To enroll in Direct Deposit, complete this form as follows:

General Instructions

- Complete Sections A, B, C and D

Specific Instructions

- Section A (Item 1) Type of Enrollment Action

New – Complete for new enrollment or re-enrollment after cancellation

Change – Complete to change type of account, financial institution or branch (routing number), or depositor account number.

Deduction/Organization Code

- Section B (Item 1) Indicate checking OR savings. Only one box must be checked. If left blank, SCO will automatically process as checking
(Item 2) Enter Routing Number and
(Item 3) Enter Depositor Account Number

IMPORTANT: PLEASE VERIFY YOUR DEPOSITOR ACCOUNT NUMBER AND ROUTING NUMBER WITH YOUR FINANCIAL INSTITUTION

Your direct deposit record will be activated within 15 to 20 days after your form is received by the State Controller's Office.

- Section C – The authorized signature must be that signature currently on file with the State Controller's Office.

According to new NACHA Operating Rules, effective September 18, 2009 you are not allowed to forward 100% of your net payment to a Financial Institution outside the jurisdiction of the U.S.. If 100% of the net deposit is being sent outside the jurisdiction of the U.S., you are no longer allowed to participate in the direct Deposit program and must cancel your enrollment. A paper warrant will be issued to you effective the month the cancellation is processed. For new/change enrollments, please mark the box indication you are aware of this new requirement and are not sending 100% of the net deposit outside the jurisdiction of the U.S..

DIRECT DEPOSIT POSTING DATES

Funds for regular monthly or semi-monthly remittances should be on the first banking day after the close of the business month. For example, if the business month closes on a Wednesday, funds should be available no later than Thursday. If the business month closes on a Friday, a weekend, or a holiday, funds should be available no later than the first banking day following.

If you have more than one SCO assigned Deduction/Organization code, you will received a Direct Deposit payment for each Deduction/Organization code assigned.

While most financial institutions post funds to accounts at the beginning of the bank business day, this is not a universal practice. Some institutions post funds in the afternoon instead of the morning. It is strongly recommended that you check with your financial institution to determine when your funds will be available.

CHANGING FINANCIAL INSTITUTION OR DEPOSITOR ACCOUNTS

Your Direct Deposit will continue to be deposited into your designated account at your financial institution until the State Controller's Office is notified that you wish to redesignate your account and/or your financial institution. To redesignate, complete and submit a new Form 699D with the new information. **DO NOT CLOSE YOUR OLD ACCOUNT UNTIL YOUR FIRST PAYMENT IS DEPOSITED INTO YOUR NEWLY DESIGNATED ACCOUNT AND/OR FINANCIAL INSTITUTION.** Until your record is activated, you will receive a paper warrant.

PRIVACY NOTICE

The information Practices Act of 1977 (Civil Code Section 1798.17) and the Federal Privacy Act (Public Law 93-579) require that this notice be provided when collecting confidential information. Information requested on this form is used by the State Controller's Office for the purposes of identification and enrollment processing. It is mandatory to furnish all information requested on this form except for financial institution name, address and branch number or name. Failure to provide the mandatory information may result in the enrollment action not being processed or being processed incorrectly.

Legal references authorizing maintenance of this information include Government Code Sections 1151 and 1153. Copies of the Enrollment Authorization are maintained in confidential files of the State Controller's Office for six years. Organizations have the right of access to copies of their Enrollment Authorization forms upon request. The official responsible for maintenance of the forms is: Chief of Personnel/Payroll Operations Bureau, State Controller's Office, P.O. Box 942850, Sacramento, California 94250-5878.

MISCELLANEOUS DEDUCTIONS – DETAIL RECORD

LOCATION	FIELD	LENGTH	PICTURE	DESCRIPTION
1 - 9	Social Security Number	9	X(9)	Social Security Number on Interim Number
10	First Initial	1	X	
11	Middle Initial	1	X	Employee Name
12 - 24	Surname	13	X(13)	
25 - 27	Agency Code	3	X(3)	Identifies the employing agency
28 - 30	Reporting Unit	3	X(3)	Identifies the employing unit
31 - 37	Salary Rate	7	S9(5)V99	Employee's salary rate
NOTE: For other than exclusive representatives, this field is only available upon approval from SCO.				
38 - 44	Filler	7	X(7)	Blank
45	Pay Period Type	1	X	Identifies the pay period type (i.e. monthly = 0, 1 st semi-monthly = 1, 2 nd semi-monthly = 2, etc.)
46 - 47	Pay Period Century	2	9(2)	Identifies the pay period of the deduction
48 - 49	Pay Period Year	2	9(2)	
50 - 51	Pay Period Month	2	9(2)	
52 - 54	Deduction Code	3	X(3)	Identifies the deduction code
55 - 57	Organization Code	3	X(3)	Identifies the organization code
65 - 72	Warrant Number	8	X(8)	Identifies the warrant/payment from which the deduction was made
73	Format Code	1	X	Indicates the type of record - Either a '4' or '6' will be entered in this field
74	Flex Deduction Indicator	1	X	SCO processing only
75	Filler	1	X	Blank
76 - 78	File Designation Number	3	9(3)	File number assigned to your organization
79 - 89	Filler	1	X(11)	Blank
90	Record Type	1	X	Identifies the record type - 'D' = Detail Record

MISCELLANEOUS DEDUCTIONS
TOTAL RECORD

LOCATION	FIELD	LENGTH	PICTURE	DESCRIPTION
1 - 20	Filler	20	X(20)	Blank
21 - 30	Total Deduction Amount	10	S9(8)V99	The total deduction amount reported
31 - 36	Total Deduction Count	6	X(6)	The total number of records reported
37 - 51	Filler	13	X(15)	Blank
52 - 54	Deduction Code	3	X(3)	Identifies the deduction code to which the totals apply
55 - 57	Organization Code	3	X(3)	Identifies the organization code to which the totals apply
58 - 75	Filler	18	X(18)	Blank
76 - 78	File Designation Number	3	9(3)	File number assigned to your organization
79 - 89	Filler	24	X(11)	Blank
90	Record Type	1	X	Identifies record type - 'T' will be entered for Total Record

HEALTH BENEFITS – DETAIL RECORD

LOCATION	FIELD	LENGTH	PICTURE	DESCRIPTION
1 - 9	Social Security Number	9	X(9)	Social Security Number on Interim Number
10	First Initial	1	X	
11	Middle Initial	1	X	Employee Name
12 - 24	Surname	13	X(13)	
25 - 27	Agency Code	3	X(3)	Identifies the employing agency
28 - 30	Reporting Unit	3	X(3)	Identifies the employing unit
31 - 37	State Share Amount	7	S9(5)V99	The amount of the employer's share applied toward the insurance premium
38 - 44	Total Premium Amount	7	S9(5)V99	The gross premium amount (sum of the employee share and the employer share)
45	Pay Period Type	1	X	Identifies the pay period type (i.e. monthly = 0, 1 st semi-monthly = 1, 2 nd semi-monthly = 2, etc.)
46 - 47	Pay Period Century	2	9(2)	Identifies the pay period of the deduction
48 - 49	Pay Period Year	2	9(2)	
50 - 51	Pay Period Month	2	9(2)	
52 - 54	Deduction Code	3	X(3)	Identifies the deduction code
55 - 57	Filler	3	X(3)	Blank
58 - 64	Deduction Amount	7	S9(5)V99	The amount of the employee's share applied toward the insurance premium
65 - 72	Warrant Number	8	X(8)	Identifies the warrant/payment from which the deduction was made
73	Format Code	1	X	Indicates a Health benefit record - '1' will always be entered in this field
74	Flex Deduction Indicator	1	X	SCO processing only
75	Filler	1	X	Blank
76 - 78	File Designation Number	3	9(3)	File number assigned to your organization
79 - 89	Filler	8	X(11)	Blank
90	Record Type	1	X	Identifies the record type - 'D' = Detail Record

HEALTH BENEFITS
TOTAL RECORD

LOCATION	FIELD	LENGTH	PICTURE	DESCRIPTION
1 - 10	Total State Share Amount	10	S9(8)V99	The total amount of the employer share (applied toward insurance premium) reported
11 - 20	Total of Total Premium Amount	10	S9(8)V99	The total amount of premium reported
21 - 30	Total Deduction Amount	10	S9(8)V99	The total amount of the employee share (applied toward insurance premium) reported
31 - 36	Total Deduction Count	6	9(6)	The total number of deductions reported
37 - 51	Filler	15	X(15)	Blank
52 - 54	Deduction Code	3	X(3)	Identifies the deduction code to which the totals apply
55 - 75	Filler	21	X(21)	Blank
76 - 78	File Designation Number	3	9(3)	File number assigned to your organization
79 - 89	Filler	11	X(11)	Blank
90	Record Type	1	X	Identifies record type - 'T' will be entered for Total Record

DENTAL/VISION – DETAIL RECORD

LOCATION	FIELD	LENGTH	PICTURE	DESCRIPTION
1 - 9	Social Security Number	9	X(9)	Social Security Number on Interim Number
10	First Initial	1	X	
11	Middle Initial	1	X	Employee Name
12 - 24	Surname	13	X(13)	
25 - 27	Agency Code	3	X(3)	Identifies the employing agency
28 - 30	Reporting Unit	3	X(3)	Identifies the employing unit
31 - 37	State Share Amount	7	S9(5)V99	The amount of the employer's share applied toward the insurance premium
38 - 44	Total Premium Amount	7	S9(5)V99	The gross premium amount (sum of the employee share and the employer share)
45	Pay Period Type	1	X	Identifies the pay period type (i.e. monthly = 0, 1 st semi-monthly = 1, 2 nd semi-monthly = 2, etc.)
46 - 47	Pay Period Century	2	9(2)	Identifies the pay period of the deduction
48 - 49	Pay Period Year	2	9(2)	
50 - 51	Pay Period Month	2	9(2)	
52 - 54	Deduction Code	3	X(3)	Identifies the deduction code
55 - 57	Organization Code	3	X(3)	Identifies the organization code
58 - 64	Deduction Amount	7	S9(5)V99	The amount of the employee's share applied toward the insurance premium
65 - 72	Warrant Number	8	X(8)	Identifies the warrant/payment from which the deduction was made
73	Format Code	1	X	Indicates a Dental benefit record - '1' will always be entered in this field
74	Flex Deduction Indicator	1	X	SCO processing only
75	Filler	1	X	Blank
76 - 78	File Designation Number	3	9(3)	File number assigned to your organization
79 - 89	Filler	11	X(11)	Blank
90	Record Type	1	X	Identifies the record type - 'D' = Detail Record

DENTAL/VISION
TOTAL RECORD

LOCATION	FIELD	LENGTH	PICTURE	DESCRIPTION
1 - 10	Total State Share Amount	10	S9(8)V99	The total amount of the employer share (applied toward insurance premium) reported
11 - 20	Total of Total Premium Amount	10	S9(8)V99	The total amount of premium reported
21 - 30	Total Deduction Amount	10	S9(8)V99	The total amount of the employee share (applied toward insurance premium) reported
31 - 36	Total Deduction Count	6	9(6)	The total number of deductions reported
37 - 51	Filler	15	X(15)	Blank
52 - 54	Deduction Code	3	X(3)	Identifies the deduction code to which the totals apply
55 - 57	Organization Code	3	X(3)	Identifies the organization code to which the totals apply
58 - 75	Filler	18	X(18)	Blank
76 - 78	File Designation Number	3	9(3)	File number assigned to your organization
79 - 89	Filler	11	X(11)	Blank
90	Record Type	1	X	Identifies record type - 'T' will be entered for Total Record

INTERNET DEDUCTIONS – DETAIL RECORD

LOCATION	FIELD	LENGTH	PICTURE	DESCRIPTION
1	Record Type	1	X	Identifies the record type – ‘D’ will be entered for Detail Record
3 - 11	Social Security Number	1	X	Social Security Number or Interim Number
13	First Initial	1	X	
15	Middle Initial	1	X	Employee Name
17 - 29	Surname	13	X(13)	
31 - 33	Agency Code	3	X(3)	Identifies the employing agency
35 - 37	Reporting Unit	3	X(3)	Identifies the employing unit
39 - 47	Total Premium Amount	9	X(9)	The gross premium amount (sum of the employee share and the employer share)
49	Pay Period Type	1	X	Identifies the pay period type (i.e. monthly = 0, 1 st semi-monthly = 1, 2 nd semi-monthly = 2, etc.)
51 - 52	Pay Period Month	2	9(2)	Identifies the pay period of the deduction
54 - 57	Pay Period Century/Year	4	9(4)	
59 - 61	Deduction Code	2	X(3)	Identifies the deduction code
63 - 65	Organization Code	3	X(3)	Identifies the organization code
67 - 75	Deduction Amount	9	X(9)	The dollar amount of the deduction
77 - 84	Warrant Number	8	X(8)	Identifies the warrant/payment from which the deduction was made
86	Format Code	1	X	Indicates the type of record – Either a ‘4’ or ‘6’
88	Flex Deduction Indicator	1	X	Indicates if deduction is flexible benefits
90 - 92	File Designation Code	3	X(3)	Indicates file number assigned by SCO
94 - 96	Sortable Reporting Unit	3	X(3)	
98 - 106	State Share or Salary Rate	9	X(9)	The amount of the employer's share applied toward the insurance premium

INTERNET DEDUCTIONS
TOTAL RECORD

LOCATION	FIELD	LENGTH	PICTURE	DESCRIPTION
1	Record Type	1	X	Identifies record type – 'T' will be entered for Total Record
3 - 14	Total State Share Amount	12	X(12)	The total amount of the employer share (applied toward insurance premium) reported
16 - 27	Total Premium Amount	12	X(12)	The total amount of premium reported
29 - 40	Total Deduction Amount	12	X(12)	The total amount of the employee share reported
42 - 48	Total Deduction Count	7	X(7)	The total number of deductions reported
50 - 52	Deduction Code	3	X(3)	Identifies the deduction code to which the totals apply
54 – 56	Organization Code	3	X(3)	Identifies the organization code to which the totals apply
58	Deduction type	1	X	Indicates first byte of deduction type
60	Sub-Total Indicator	1	X	Indicates if Sub-Totals are used
62 - 64	File Designation Code	3	X(3)	Identifies file number assigned by SCO

FORMAT DESCRIPTION

99

51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
							DEDUCTION AMOUNT							WARRANT NUMBER							Format Code	Flex Ded Ind	Filler	File Designation Code	FILLER											Record Type													
		X(3)		X(3)			S9(5)V99							X(8)							X	X	X	9(3)	X(11)											X													

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50
FILLER																				TOTAL DEDUCTION AMOUNT										TOTAL DEDUCTION COUNT						FILLER													
X(20)																				S9(8)V99										X(6)						X(15)													

	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100							
	Ded Code			Organization Code			FILLER																		File Designation Code		FILLER																		Record Type											
	X(3)			X(3)			X(18)																		X(3)		X(11)																		X											

BU 2000 BUSINESS MONTH DEDUCTION FILE-EBCDIC Format

FILE NAME HEALTH BENEFITS FORMAT TITLE DETAIL RECORD DATE 11/16/98

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50
SOCIAL SECURITY NUMBER									EMPLOYEE NAME															Agency Code	Reporting Unit	STATE SHARE AMOUNT						TOTAL PREMIUM AMOUNT						PAY PERIOD											
									First Int.	Middle Int.	SURNAME																											Type	Century	Year	Month								
X(9)									X	X	X(13)													X(3)	X(3)	S9(5)V99						S9(5)V99						X	9(2)	9(2)	9(2)								

51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
	Ded Code	FILLER			DEDUCTION AMOUNT						WARRANT NUMBER						Format Code	Flex Indicator	Filler	File Designation Code	FILLER										Record Type																		
	X(3)	X(3)			S9(5)V99						X(8)						X	X	X	9(3)	X(11)										X																		

BU 2000 BUSINESS MONTH DEDUCTION FILE-EBCDIC Format

FILE NAME HEALTH BENEFITS FORMAT TITLE TOTAL RECORD DATE 11/16/98

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50
TOTAL STATE SHARE AMOUNT										TOTAL OF TOTAL PREMIUM AMOUNT										TOTAL DEDUCTION AMOUNT										TOTAL DEDUCTION COUNT						FILLER													
S9(8)V99										S9(8)V99										S9(8)V99										9(6)						X(15)													

51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100		
	Ded Code	FILLER																								File Designation Code	FILLER										Record Type														
	X(3)	X(21)																								9(3)	X(11)										X														

FORMAT DESCRIPTION

BU 2000 BUSINESS MONTH DEDUCTION FILE-EBCDIC Format

FILE NAME DENTAL/VISION BENEFITS FORMAT TITLE DETAIL RECORD DATE 11/16/98

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50
SOCIAL SECURITY NUMBER									EMPLOYEE NAME															Agency Code	Reporting Unit	STATE S HARE AMOUNT					TOTAL PREMIUM AMOUNT					PAY PERIOD													
									First Int.	Middle Int.	SURNAME																									Type	Century	Year	Month										
X(9)									X	X	X(13)													X(3)	X(3)	S9(5)V99					S9(5)V99					X	9(2)	9(2)	9(2)										

51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
	Ded Code			Organization Code			DEDUCTION AMOUNT							WARRANT NUMBER							Format Code	Flex Indicator	Filler	File Designation Code	FILLER												Record Type												
	X(3)			X(3)			S9(5)V99							X(8)							X	X	X	X(3)			X(11)												X										

BU 2000 BUSINESS MONTH DEDUCTION FILE-EBCDIC Format

FILE NAME DENTAL/VISION BENEFITS FORMAT TITLE TOTAL RECORD DATE 11/16/98

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50
TOTAL STATE SHARE AMOUNT										TOTAL OF TOTAL PREMIUM AMOUNT										TOTAL DEDUCTION AMOUNT										TOTAL DEDUCTION COUNT					FILLER														
S9(8)V99										S9(8)V99										S9(8)V99										9(6)					X(15)														

51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100			
	Ded Code (Cont)			Organization Code			FILLER																		File Designation Code			FILLER												Record Type												
	X(3)			X(3)			X(18)																		9(3)			X(11)												X												

FORMAT DESCRIPTION

BU 2000 BUSINESS MONTH DEDUCTION FILE-AScii Format

FILE NAME	INTERNET DEDUCTIONS	FORMAT TITLE	DETAIL RECORD	DATE	11/16/98
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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48
Record Type												EMPLOYEE NAME																			Agency Code		Reporting Unit		TOTAL PREMIUM AMOUNT												
												First Int.		Middle Int.		SURNAME																															
X		X(9)										X		X		X(13)															X(3)		X(3)		X(9)												

49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96
PAY PER										Ded Code		Organization Code		DEDUCTION AMOUNT		WARRANT NUMBER		Format Code	Flex Ind		File Designa tion Code		Sort RU																								
Type		Month			Century		Year																																								
X		9(2)			9(2)		9(2)																																								
									X(3)			X(3)		X(9)										X(8)										X		X		9(3)				X(3)					

69

97	98	99	100	101	102	103	104	105	106
	STATE SHARE AMOUNT or SALARY RATE								
	X(9)								

FORMAT DESCRIPTION

BU 2000 BUSINESS MONTH DEDUCTION FILE-ASCii Format

FILE NAME INTERNET DEDUCTIONS FORMAT TITLE TOTAL RECORD DATE 11/16/98

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48
Record Type		TOTAL STATE SHARE AMOUNTS													TOTAL PREMIUM AMOUNTS													TOTAL DEDUCTION AMOUNT													TOTAL DED UCTION COUNT						
X		X(12)													X(12)													X(12)													X(7)						

49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96			
	Deduction Code				Organization Code				Ded Type		Sub Total Ind		File Designation Code		FILLER																																			
	X(3)				X(3)				X		X		9(3)																																					

97	98	99	100	101	102	103	104	105	106
FILLER									

FORMAT DESCRIPTION